

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION

In re:

MONTCO OFFSHORE, INC. *et al.*,<sup>1</sup>

DEBTORS.

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Case No. 17-31646

Jointly Administered

(Chapter 11)

**RESERVATION OF RIGHTS OF OIL STATES SKAGIT SMATCO, LLC  
TO THE DEBTORS' MOTION FOR ESTIMATING AND TEMPORARILY  
ALLOWING CLAIMS ASSERTED BY MARITIME LIEN**

[Relates to ECF No. 494]

Oil States Skagit SMATCO, LLC ("Oil States"), a creditor of Montco Offshore, Inc. (the "Debtor"), hereby submit this Reservation of Rights (the "Reservation of Rights") in response to the *Debtors' Motion for Entry of an Order Estimating and Temporarily Allowing Claims Asserted by Maritime Lien Claimants for Purposes of Allowing Plan Confirmation to Proceed* (the "Debtors' Motion") [ECF No. 494], and respectfully states as follows:

1. On March 17, 2017 (the "Petition Date"), each of the Debtors filed a voluntary petition for relief with the Court under chapter 11 of the Bankruptcy Code.
2. On July 28, 2017, Oil States filed a proof of claim against the Debtor (the "Oil States Proof of Claim") [POC No. 211] in the above-captioned bankruptcy proceedings. The secured portion of the Oil States Proof of Claim arises from maritime liens (the "Oil States Maritime Liens") against certain liftboat vessels owned by the Debtor that were perfected by Oil States as set forth in its *Notice of Perfection, Continuation or Maintenance of Liens Pursuant to § 546(b)* [ECF No. 365] filed on July 27, 2017.

<sup>1</sup> The Debtors in these chapter 11 cases, together with the last four (4) digits of each Debtor's federal tax identification number, are Montco Offshore, Inc. (1448) and Montco Oilfield Contractors, LLC (9886). The mailing address for the Debtors, solely for purposes of notices and communications, is 17751 Hwy 3235, Galliano, Louisiana 70354.

3. On September 26, 2017, the Debtors filed chapter 11 plans of reorganization and liquidation for the Debtor and Montco Oilfield Contractors, LLC (“MOC”) [ECF No. 439] (together, and as amended, the “Plan”), and an accompanying disclosure statement (as amended, the “Disclosure Statement”) [ECF No. 440].

4. On October 16, 2017, the Debtors’ Motion was filed in this Court seeking the entry of an order estimating and temporarily allowing in an amount equal to zero dollars (\$0) the alleged secured claims (the “Maritime Lien Claims”) asserted by each of C&G Welding, Inc., Alliance Energy Services, LLC, Oceaneering International, Inc., and Aqueos Corporation (collectively, the “Maritime Lien Claimants”). The Debtors’ Motion also seeks a determination of the extent of the Prepetition Credit Agreement, and a determination that the Prepetition Secured Debt Obligations associated with the Prepetition Credit Agreement are secured by substantially all of the Debtors’ assets, including certain liftboat vessels owned by the Debtor (the “MOI Vessels”), and that the MOI Vessels have a value substantially less than the Prepetition Secured Debt Obligation.

### **RESERVATION OF RIGHTS**

5. Pursuant to Rule 7001 of the Federal Rules of Bankruptcy Procedure “a proceeding to determine the validity, priority, or extent of a lien or other interest in property, other than a proceeding under Rule 4003(d)” must be filed as an adversary proceeding. Fed. R. Bankr. P. 7001(2). Accordingly, any findings by the Court should be limited to the Maritime Lien Claims that are the subject of the Debtors’ Motion. Any determination by the Court with respect to the validity, priority or extent of the Oil States Maritime Liens should be made in an adversary proceeding. Oil States files this Reservation of Rights to protect its interests and

preserve its rights in connection with any determination over the validity, priority, or extent of the Oil States Maritime Liens.

Dated: October 31, 2017

Respectfully submitted,

DIAMOND McCARTHY LLP

/s/ Charles M. Rubio

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**CERTIFICATE OF SERVICE**

I certify that on October 31, 2017, a true and correct copy of the foregoing was filed via the Court's CM/ECF system and served to all parties registered to receive notice via the Court's CM/ECF system.

/s/ Charles M. Rubio